

112TH CONGRESS
1ST SESSION

S. 1149

To expand geothermal production, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 7, 2011

Mr. WYDEN (for himself, Mr. CRAPO, Mr. RISCH, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To expand geothermal production, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Geothermal Production
5 Expansion Act of 2011”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) it is in the best interest of the United
9 States to develop clean renewable geothermal energy;

10 (2) development of that energy should be pro-
11 moted on appropriate Federal land;

1 (3) under the Energy Policy Act of 2005 (42
2 U.S.C. 15801 et seq.), the Bureau of Land Manage-
3 ment is authorized to issue 3 different types of non-
4 competitive leases for production of geothermal en-
5 ergy on Federal land, including—

6 (A) noncompetitive geothermal leases to
7 mining claim holders that have a valid oper-
8 ating plan;

9 (B) direct use leases; and

10 (C) leases on parcels that do not sell at a
11 competitive auction;

12 (4) Federal geothermal energy leasing activity
13 should be directed toward persons seeking to develop
14 the land as opposed to persons seeking to speculate
15 on geothermal resources and artificially raising the
16 cost of legitimate geothermal energy development;

17 (5) developers of geothermal energy on Federal
18 land that have invested substantial capital and made
19 high risk investments should be allowed to secure a
20 discovery of geothermal energy resources; and

21 (6) successful geothermal development on Fed-
22 eral land will provide increased revenue to the Fed-
23 eral Government, with the payment of production
24 royalties over decades.

1 **SEC. 3. NONCOMPETITIVE LEASING OF ADJOINING AREAS**
2 **FOR DEVELOPMENT OF GEOTHERMAL RE-**
3 **SOURCES.**

4 Section 4(b) of the Geothermal Steam Act of 1970
5 (30 U.S.C. 1003(b)) is amended by adding at the end the
6 following:

7 “(4) ADJOINING LAND.—

8 “(A) DEFINITIONS.—In this paragraph:

9 “(i) FAIR MARKET VALUE PER
10 ACRE.—The term ‘fair market value per
11 acre’ means a dollar amount per acre
12 that—

13 “(I) except as provided in this
14 clause, shall be equal to the market
15 value per acre as determined by the
16 Secretary under regulations issued
17 under this paragraph;

18 “(II) shall be determined by the
19 Secretary with respect to a lease
20 under this paragraph, by not later
21 than the end of the 90-day period be-
22 ginning on the date the Secretary re-
23 ceives an application for the lease;
24 and

25 “(III) shall be not less than the
26 greater of—

1 “(aa) 4 times the median
2 amount paid per acre for all land
3 leased under this Act during the
4 preceding year; or

5 “(bb) \$50.

6 “(ii) INDUSTRY STANDARDS.—The
7 term ‘industry standards’ means the stand-
8 ards by which a qualified geothermal pro-
9 fessional assesses whether downhole or
10 flowing temperature measurements with
11 indications of permeability are sufficient to
12 produce energy from geothermal resources,
13 as determined through flow or injection
14 testing or measurement of lost circulation
15 while drilling.

16 “(iii) QUALIFIED FEDERAL LAND.—
17 The term ‘qualified Federal land’ means
18 land that is otherwise available for leasing
19 under this Act.

20 “(iv) QUALIFIED GEOTHERMAL PRO-
21 FESSIONAL.—The term ‘qualified geo-
22 thermal professional’ means an individual
23 who is an engineer or geoscientist in good
24 professional standing with at least 5 years

1 of experience in geothermal exploration,
2 development, or project assessment.

3 “(v) QUALIFIED LESSEE.—The term
4 ‘qualified lessee’ means a person that may
5 hold a geothermal lease under this Act (in-
6 cluding applicable regulations).

7 “(vi) VALID DISCOVERY.—The term
8 ‘valid discovery’ means a discovery of a
9 geothermal resource by a new or existing
10 slim hole or production well, that exhibits
11 downhole or flowing temperature measure-
12 ments with indications of permeability that
13 are sufficient to meet industry standards.

14 “(B) AUTHORITY.—An area of qualified
15 Federal land that adjoins other land for which
16 a qualified lessee holds a legal right to develop
17 geothermal resources may be available for a
18 noncompetitive lease under this section to the
19 qualified lessee at the fair market value per
20 acre, if—

21 “(i) the area of qualified Federal
22 land—

23 “(I) consists of not less than 1
24 acre and not more than 640 acres;
25 and

1 “(II) is not already leased under
2 this Act or nominated to be leased
3 under subsection (a);

4 “(ii) the qualified lessee has not pre-
5 viously received a noncompetitive lease
6 under this paragraph in connection with
7 the valid discovery for which data has been
8 submitted under clause (iii)(I); and

9 “(iii) sufficient geological and other
10 technical data prepared by a qualified geo-
11 thermal professional has been submitted by
12 the qualified lessee to the applicable Fed-
13 eral land management agency that would
14 lead individuals who are experienced in the
15 subject matter to believe that—

16 “(I) there is a valid discovery of
17 geothermal resources on the land for
18 which the qualified lessee holds the
19 legal right to develop geothermal re-
20 sources; and

21 “(II) that thermal feature ex-
22 tends into the adjoining areas.

23 “(C) DETERMINATION OF FAIR MARKET
24 VALUE.—

1 “(i) IN GENERAL.—The Secretary
2 shall—

3 “(I) publish a notice of any re-
4 quest to lease land under this para-
5 graph;

6 “(II) determine fair market value
7 for purposes of this paragraph in ac-
8 cordance with procedures for making
9 those determinations that are estab-
10 lished by regulations issued by the
11 Secretary;

12 “(III) provide to a qualified les-
13 see and publish, with an opportunity
14 for public comment for a period of 30
15 days, any proposed determination
16 under this subparagraph of the fair
17 market value of an area that the
18 qualified lessee seeks to lease under
19 this paragraph; and

20 “(IV) provide to the qualified les-
21 see and any adversely affected party
22 the opportunity to appeal the final de-
23 termination of fair market value in an
24 administrative proceeding before the
25 applicable Federal land management

1 agency, in accordance with applicable
2 law (including regulations).

3 “(ii) LIMITATION ON NOMINATION.—
4 After publication of a notice of request to
5 lease land under this paragraph, the Sec-
6 retary may not accept under subsection (a)
7 any nomination of the land for leasing un-
8 less the request has been denied or with-
9 drawn.

10 “(iii) ANNUAL RENTAL.—For pur-
11 poses of section 5(a)(3), a lease awarded
12 under this paragraph shall be considered a
13 lease awarded in a competitive lease sale.

14 “(D) REGULATIONS.—Not later than 180
15 days after the date of enactment of the Geo-
16 thermal Production Expansion Act of 2011, the
17 Secretary shall issue regulations to carry out
18 this paragraph.”.

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